

**FINANCIAL REPORT OF THE
DURALDE GRAVITY DRAINAGE DISTRICT NO. 4
EVANGELINE PARISH, LOUISIANA
FOR THE YEAR ENDED
DECEMBER 31, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/10/11

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To the Board of Commissioners
Duralde Gravity Drainage District No. 4
of Evangeline Parish, Louisiana
Ville Platte, Louisiana

I have compiled the accompanying component unit financial statements of the governmental activities of the Duralde Gravity Drainage District No. 4 of Evangeline Parish, Louisiana as of and for the year ended December 31, 2010, which collectively compromise the District's component unit financial statements as listed in the table of contents. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

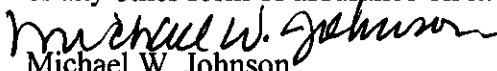
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected not to implement the financial reporting requirements of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. The effects of this departure from generally accepted accounting principles have not been determined. Because the significance and pervasiveness of the matters discussed above makes it difficult to assess their impact on the financial statements taken as a whole, users of these financial statements should recognize that they might reach different conclusions about the District's financial position, results of operations, and cash flows if they had access to revised financial statements prepared in conformity with generally accepted accounting principles.

Management has elected to omit substantially all of the disclosures and the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual were included in the component unit financial statements, they might influence the user's conclusions about the District's component unit financial statements including financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The Schedule of Per Diem Paid to Board Members on page 5 is presented for purposes of additional analysis and is not a required part of the component unit financial statements. I have not audited or reviewed that schedule and, accordingly, do not express an opinion or any other form of assurance on it.


Michael W. Johnson
Certified Public Accountant

June 13, 2011
Eunice, Louisiana

COMPONENT UNIT FINANCIAL STATEMENTS

(Combined Statement Overview)

DURALDE GRAVITY DRAINAGE DISTRICT NO. 4
OF EVANGELINE PARISH, LOUISIANA

Combined Balance Sheet, All Fund Types and
Account Groups – December 31, 2010

ASSETS

GENERAL FUND

Assets:

Cash and cash equivalents	\$441,867
Ad Valorem Taxes Receivable	<u>81,363</u>
TOTAL ASSETS	<u>\$523,230</u>

LIABILITIES AND EQUITY

Equity:

Fund Balance	
Unreserved-undesignated	<u>\$523,230</u>
Total Fund Balance	<u>\$523,230</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$523,230</u>

See accompanying accountant's report.

DURALDE GRAVITY DRAINAGE DISTRICT NO. 4
OF EVANGELINE PARISH, LOUISIANA

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balance – Governmental Fund Types
For the Year Ended December 31, 2010

	<u>GENERAL</u> <u>FUND</u>
<u>REVENUES:</u>	
Ad Valorem taxes	\$ 76,690
State Revenue Sharing	<u>2,909</u>
Total Revenues	<u>\$ 79,599</u>
<u>EXPENDITURES</u>	
Current Operating	
Legal and Accounting	\$ 4,144
Board Member Per Diem	5,700
Secretary Expense	2,600
Drainage Contract Work	24,091
Insurance	180
Pension Expense	2,448
Bank Charges	18
Miscellaneous	<u>273</u>
Total Expenditures	<u>\$ 39,454</u>
<u>Other Financing Sources:</u>	
Interest	\$ 7,265
Total Other Financing Sources	<u>7,265</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER</u> <u>FINANCING SOURCES OVER EXPENDITURES AND OTHER</u> <u>FINANCING USES</u>	 <u>\$ 47,410</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>475,820</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$523,230</u>

See accompanying accountant's report.

DURALDE GRAVITY DRAINAGE DISTRICT NO. 4
Schedule Of Per Diem Paid To Board Members
For The Year Ended December 31, 2010

A schedule of compensation paid to the Board of Commissioners for the year ended December 31, 2010, is as follows:

<u>Name</u>	<u>Office Held</u>	<u>Compensation</u>
J.D. Fontenot	President	\$1,300
Paul Berzas	Vice-President	900
John Bihm	Commissioner	1,300
Clem Manuel	Commissioner	1,300
Shane McGee	Commissioner	<u>900</u>
Total		<u>\$5,700</u>

The Board of Commissioners does not know when their terms expire. The attorney for the District is doing research in order to make that determination.

See accompanying accountant's report.

DURALDE GRAVITY DRAINAGE DISTRICT NO. 4
Schedule Of Prior Year Findings
For The Year Ended December 31, 2010

Finding 2009-1. Inadequate Segregation of Duties

Finding: The Segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic and space limitations.

Recommendation: No action is recommended.

Corrective Action Taken: No. See Finding 2010-1.

Planned Corrective Action: None.

Finding 2009-2. Reporting Deficiency

Finding: The District's staff responsible for the accounting and reporting function lacks the skills and knowledge necessary to apply generally accepted accounting principles in preparing the District's financial statements.

Cause: The District's personnel lacks training in implementation of generally accepted accounting principles.

Recommendation: The District should hire a CPA to prepare the financial statements; however, the District's personnel should review and take responsibility for the financial statements and any adjusting journal entries.

Corrective Action Taken: Yes. The CPA will prepare the financial statements; however, the District's personnel will review and take responsibility for the financial statements and any adjusting journal entries.

Planned Corrective Action: The CPA will prepare the financial statements; however, the District's personnel will review and take responsibility for the financial statements and any adjusting journal entries.

DURALDE GRAVITY DRAINAGE DISTRICT NO. 4
Schedule Of Prior Year Findings
For The Year Ended December 31, 2010
(continued)

Finding 2009-3. Delinquent Report Submission.

Finding: The District did not submit compiled financial statements for the year ended December 31, 2009 to the Louisiana Legislative Auditor by the June 30, 2010 deadline.

Cause: The secretary for the District did not submit the required information to the District's accountant by the deadline.

Recommendation: Management should establish procedures to ensure that financial statements are submitted to the Louisiana Legislative Auditor by applicable deadlines.

Corrective Action Taken: Yes.

Planned Corrective Action: None.

Finding 2009-4. No Budget Document.

Finding: The District could not produce a copy of the budget.

Cause: The District's secretary did not prepare and the board did not adopt a budget for the year ended December 31, 2009.

Recommendation: Management should establish procedures to ensure that the District adopts a budget before the start of each fiscal year and maintains a copy of adopted budgets.

Corrective Action Taken: No. See Finding 2010-3.

Planned Corrective Action: Management concurs with the finding and will establish procedures to ensure that the District adopts a budget before the start of each fiscal year and maintains a copy of adopted budgets.

DURALDE GRAVITY DRAINAGE DISTRICT NO. 4
Schedule Of Prior Year Findings
For The Year Ended December 31, 2010
(continued)

Finding 2009-5. No Minutes of the Meetings of the Board of Commissioners.

Finding: The District could not produce copies of the minutes of the meetings of the Board of Commissioners. However, they did provide notes for some meetings.

Cause: The District's secretary did not prepare and the board did not demand minutes of the meetings of the Board of Commissioner.

Recommendation: Management should establish procedures to ensure that the District maintains copies of the minutes of the meetings of the Board of Commissioners.

Corrective Action Taken: No. See Finding 2010-4.

Planned Corrective Action: Management concurs with the finding and will establish procedures to ensure that the District maintains copies of the minutes of the meetings of the Board of Commissioners.

Finding 2009-6. Ad Valorem Tax Collections Not Timely Deposited.

Finding: The District did not deposit ad valorem tax collections in a timely manner.

Cause: Management was not aware that the deposits had not been made.

Recommendation: Management should establish procedures to ensure that all ad valorem tax collections are deposited in a timely manner.

Corrective Action Taken: Yes.

Planned corrective action: None.

DURALDE GRAVITY DRAINAGE DISTRICT NO. 4
Schedule of Current Year Findings with Management's
Response and Planned Corrective Action
For The Year Ended December 31, 2010

Finding 2010-1. Inadequate Segregation of Duties

Finding:	The Segregation of duties is inadequate to provide effective internal control.
Cause:	The condition is due to economic and space limitations.
Recommendation:	No action is recommended.
Response:	Management concurs.
Planned Corrective Action:	None.

Finding 2010-2. Reporting Deficiency

Finding:	The District's staff responsible for the accounting and reporting function lacks the skills and knowledge necessary to apply generally accepted accounting principles in preparing the District's financial statements.
Cause:	The District's personnel lacks training in implementation of generally accepted accounting principles.
Recommendation:	The District should hire a CPA to prepare the financial statements; however, the District's personnel should review and take responsibility for the financial statements and any adjusting journal entries.
Response:	Management concurs.
Planned Corrective Action:	The CPA will prepare the financial statements; however, the District's personnel will review and take responsibility for the financial statements and any adjusting journal entries.

DURALDE GRAVITY DRAINAGE DISTRICT NO. 4
Schedule of Current Year Findings with Management's
Response and Planned Corrective Action
For The Year Ended December 31, 2010
(continued)

Finding 2010-3. No Budget Document.

Finding: The District could not produce a copy of the budget.

Cause: The District's secretary did not prepare and the board did not adopt a budget for the year ended December 31, 2010.

Recommendation: Management should establish procedures to ensure that the District adopts a budget before the start of each fiscal year and maintains a copy of adopted budgets.

Management's response and planned corrective action: Management concurs with the finding and will establish procedures to ensure that the District adopts a budget before the start of each fiscal year and maintains a copy of adopted budgets.

Finding 2010-4. No Minutes of the Meetings of the Board of Commissioners.

Finding: The District could not produce copies of the minutes of the meetings of the Board of Commissioners. However, they did provide notes for some meetings.

Cause: The District's secretary did not prepare and the board did not demand minutes of the meetings of the Board of Commissioner.

Recommendation: Management should establish procedures to ensure that the District maintains copies of the minutes of the meetings of the Board of Commissioners.

Management's response and planned corrective action: Management concurs with the finding and will establish procedures to ensure that the District maintains copies of the minutes of the meetings of the Board of Commissioners.